

OVERSIGHT BOARD
OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PALMDALE

COUNTY OF LOS ANGELES, CALIFORNIA

RESOLUTION NO. OB 2012-006

**A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
PALMDALE APPROVING THE ADMINISTRATIVE BUDGET FOR THE SIX
MONTH PERIOD BEGINNING JULY 1, 2012**

WHEREAS, The Community Redevelopment Agency of the City of Palmdale ("Redevelopment Agency") was a redevelopment agency in the City of Palmdale ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, The City Council has adopted redevelopment plans for Palmdale's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

WHEREAS, The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, AB 1X 26 ("AB 26") and AB 1X 27 ("AB 27") were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

WHEREAS, The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

WHEREAS, On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding AB 26 as constitutional, invalidating AB 27 as unconstitutional, and holding that AB 26 may be severed from AB 27 and enforced independently; and

WHEREAS, The Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012 to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

WHEREAS, As a result of the Supreme Court's decision, and on February 1,

2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

WHEREAS, On January 4, 2012 the City Council adopted Resolution No. CC 2012-002 declaring itself as the successor agency to the Community Redevelopment Agency of the City of Palmdale ("Successor Agency") upon the dissolution of the Redevelopment Agency; and

WHEREAS, On April 4, 2012 the City Council, acting in its capacity as the Successor Agency, approved Resolution No. CC 2012-041 SA naming itself the "Successor Agency to the Community Redevelopment Agency of the City of Palmdale", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34179 ("Section 34179") establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board"). The duties and responsibilities of the Oversight Board are set forth in Sections 34179 through 34181 of AB 26; and

WHEREAS, on April 13, 2012, the first meeting of the Oversight Board of the Successor Agency took place and Oversight Board Members were duly sworn into office; and

WHEREAS, Health and Safety Code Section 34177(j) ("Section 34177(j)") requires the Successor Agency to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

WHEREAS, Health and Safety Code Section 34177(k) ("Section 34177(k)") requires the Successor Agency to provide to the Los Angeles County Auditor-Controller for each six-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and

WHEREAS, On May 2, 2012 the Successor Agency approved Resolution No. SA 2012-005 approving the administrative budget for the six-month period beginning July 1, 2012 ("Administrative Budget"), in the form attached to this Resolution, and

authorized the submission of the approved Administrative Budget to the Oversight Board for its approval in order to forward the information required by Section 34177(k) to the Los Angeles County Auditor-Controller; and

WHEREAS, All other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS by the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale that:

Section 1. The Oversight Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26 through administrative or judicial proceedings.

Section 3. The Successor Agency's Administrative Budget for the six-month period beginning July 1, 2012, which is attached hereto, is hereby approved and adopted.

Section 4. The Oversight Board may direct staff of the Successor Agency to perform work in furtherance of the Oversight Board's duties and responsibilities under AB 26.

Section 5. This Resolution shall take effect immediately upon its adoption.

Section 6. The Board Clerk shall certify as to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this 10th day of May, 2012, by the following vote:

AYES: Childs, Walter, Fisher, Scott, Blalock, McElroy

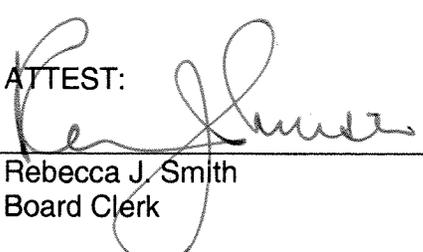
NOES: None

ABSTAIN: None ABSENT: None

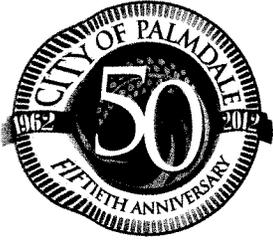


David Childs
Chair

ATTEST:



Rebecca J. Smith
Board Clerk



PALMDALE

a place to call home

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE

SECRETARY'S CERTIFICATE

JAMES C. LEDFORD, JR.
Mayor

STEVEN D. HOFBAUER
Mayor Pro Tem

LAURA BETTENCOURT
Councilmember

MIKE DISPENZA
Councilmember

TOM LACKEY
Councilmember

38300 Sierra Highway

Palmdale, CA 93550-4798

Tel: 661/267-5100

Fax: 661/267-5122

TDD: 661/267-5167

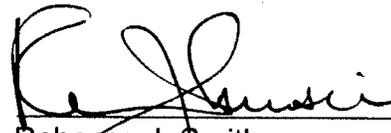
I, Rebecca J. Smith, Secretary of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale, State of California, do hereby certify as follows:

The attached is a full, true, and correct copy of the staff report presented at the May 2, 2012 Successor Agency to the Community Redevelopment Agency of the City of Palmdale Regular Meeting and entitled:

Approval of Resolution No. SA 2012-005 approving the administrative budget for the six month period beginning July 1, 2012.

I further certify that I have carefully compared the same with the staff report on file and of record in my office and that said staff report is a full, true, and correct copy of the original staff report approved at said meeting.

WITNESS my hand and the seal of the City of Palmdale this 3rd day of May 2012.



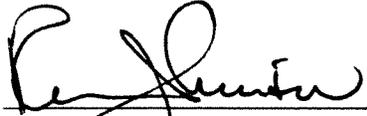
Rebecca J. Smith
Secretary

Auxiliary aids provided for

communication accessibility

upon 72 hours' notice and request.

General Counsel Ditzhazy requested the Board of Directors of the Successor Agency to pull this item from the Successor Agency Consent Calendar to amend the Resolution. The Board of Directors concurred. Economic Development Manager Walter presented the staff report. No public comments were received. A motion was made and carried unanimously to adopt the Resolution as amended.



Rebecca J. Smith
Secretary

DATE: May 2, 2012

SUBJECT: Approval of Resolution No. SA 2012-005 approving the Administrative Budget For the Six Month Period Beginning July 1, 2012

ISSUING DEPARTMENT: Economic Development

SUMMARY

Issues:

Should the Successor Agency approve Resolution No. SA 2012-005, a Resolution of the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale Approving the Administrative Budget for the Six Month Period Beginning July 1, 2012?

Recommendation:

It is recommended that the Successor Agency approve Resolution No. SA 2012-005, a Resolution of the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale Approving the Administrative Budget for the Six Month Period Beginning July 1, 2012.

Fiscal Impact:

The Administrative Budget for the six-month period beginning July 1, 2012 totals \$297,137. These funds are included in various line items in Program 20 of Funds 460 and 290 in the proposed fiscal year 2012-13 budget, and are included on the Recognized Obligation Payment Schedule (ROPS).

BACKGROUND

Section 34177(j) of Assembly Bill 1X 26 (AB 26) requires the Successor Agency to prepare an Administrative Budget for each six-month fiscal period and submit it to the Oversight Board for approval.

Section 34177(k) of AB 26 further requires the Successor Agency to provide the Los Angeles County Auditor-Controller the administrative cost estimates from its approved Administrative Budget that are to be paid from property tax revenues deposited in the Redevelopment Property Tax Trust Fund.

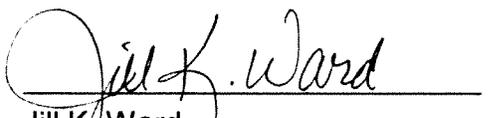
For fiscal year 2012-13 and each year thereafter, Section 34171(b) of AB 26 authorizes the payment of administrative costs in the greater amount of i) \$250,000 or ii) up to three percent (3%) of the property tax allocated to the Successor Agency in its Redevelopment Obligation Retirement Fund, subject to fund availability and Oversight Board approval. Staff has estimated this amount and allocated it to the following Successor Agency costs: salaries & benefits, training & meetings, software & licenses, legal advertising, copier lease and related costs, maintenance & repair of equipment, telephone & dataline costs, postage, utilities (water, gas & electric), office & operating supplies, rent and other miscellaneous costs related to the Successor Agency and Oversight Board, as detailed in Exhibit A to Resolution No. SA 2012-005.

The attached Resolution No. SA 2012-005 seeks the Successor Agency's approval of the Administrative Budget and their authorization to i) forward the Administrative Budget to the Oversight Board for its approval, and ii) forward the information required by Section 34177(k) to the Los Angeles County Auditor Controller, and iii) take any and all other actions and execute any and all such other documents as are necessary, convenient or appropriate to comply with AB 26 and to effectuate the intent of this Resolution on behalf of the Successor Agency.

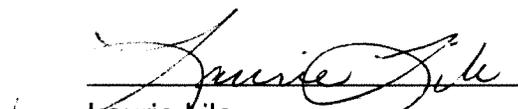
Staff recommends approval of Resolution No. SA 2012-005 attached to this staff report.

Respectfully submitted:

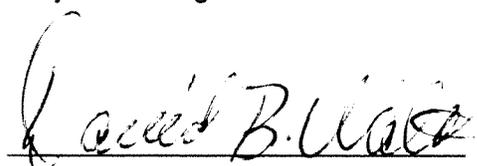
Reviewed by:



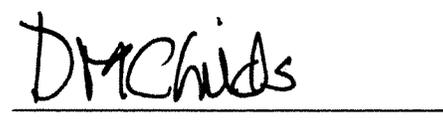
Jill K. Ward
Principal Economic Development
Project Manager



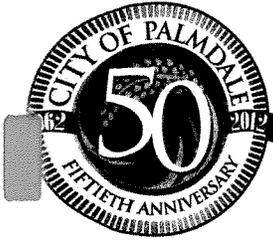
Laurie Lile
Assistant City Manager



David B. Walter
Economic Development Manager



David Childs
Executive Director



PALMDALE
a place to call home

SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF PALMDALE

SECRETARY'S CERTIFICATE

JAMES C. LEDFORD, JR.
Mayor

STEVEN D. HOFBAUER
Mayor Pro Tem

LAURA BETTENCOURT
Councilmember

MIKE DISPENZA
Councilmember

TOM LACKEY
Councilmember

I, Rebecca J. Smith, Secretary of the Successor Agency to
the Community Redevelopment Agency of the City of Palmdale, State of
California, do hereby certify as follows:

The attached is a full, true, and correct copy of Resolution No.
SA 2012-005 adopted at the Regular Meeting of the Successor Agency to
the Community Redevelopment Agency of the City of Palmdale duly held at
the regular meeting place thereof, on May 2, 2012, at which meeting all of
the members of said Board of Directors of the Successor Agency had due
notice and at which a majority thereof was present.

I further certify that I have carefully compared the same with
the original Resolution No. SA 2012-005 on file and of record in my office
and that said Resolution No. SA 2012-005 is a full, true, and correct copy of
the original Resolution No. SA 2012-005 adopted at said meeting.

At said meeting, Resolution No. SA 2012-005 was adopted by
the following vote:

- AYES: Chair Ledford, Vice Chair Hofbauer, and
Directors Bettencourt and Dispenza
NOES: None
ABSTAIN: None
ABSENT: Director Lackey

WITNESS my hand and the seal of the City of Palmdale this
3rd day of May 2012.

Handwritten signature of Rebecca J. Smith
Rebecca J. Smith
Secretary

Auxiliary aids provided for

communication accessibility

upon 72 hours' notice and request.

SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF
PALMDALE

COUNTY OF LOS ANGELES, CALIFORNIA

RESOLUTION NO. SA 2012-005

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF PALMDALE APPROVING THE
ADMINISTRATIVE BUDGET FOR THE SIX MONTH PERIOD BEGINNING
JULY 1, 2012**

WHEREAS, The Community Redevelopment Agency of the City of Palmdale ("Redevelopment Agency") was a redevelopment agency in the City of Palmdale ("City"), duly created pursuant to the California Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the California Health and Safety Code) ("Redevelopment Law"); and

WHEREAS, The City Council has adopted redevelopment plans for Palmdale's redevelopment project areas, and from time to time, the City Council has amended such redevelopment plans; and

WHEREAS, The Redevelopment Agency was responsible for the administration of redevelopment activities within the City; and

WHEREAS, AB 1X 26 ("AB 26") and AB 1X 27 ("AB 27") were signed by the Governor of California on June 28, 2011, making certain changes to the Redevelopment Law, including adding Part 1.8 (commencing with Section 34161) and Part 1.85 (commencing with Section 34170) ("Part 1.85") to Division 24 of the California Health and Safety Code ("Health and Safety Code"); and

WHEREAS, The California Redevelopment Association and League of California Cities filed a lawsuit in the Supreme Court of California (*California Redevelopment Association, et al. v. Matosantos, et al.*, Case No. S194861) alleging that AB 26 and AB 27 were unconstitutional; and

WHEREAS, On December 29, 2011, the Supreme Court issued its opinion in the *Matosantos* case largely upholding AB 26 as constitutional, invalidating AB 27 as unconstitutional, and holding that AB 26 may be severed from AB 27 and enforced independently; and

WHEREAS, The Supreme Court generally reformed and revised the effective dates and deadlines for performance of obligations under Health and Safety Code Part 1.85 of AB 26 arising before May 1, 2012 to take effect four months later, while leaving the effective dates or deadlines for performance of obligations under Health and Safety Code Part 1.8 of AB 26 unchanged; and

WHEREAS, As a result of the Supreme Court's decision, and on February 1, 2012, all California redevelopment agencies were dissolved, successor agencies were established as successor agencies to the former redevelopment agencies

pursuant to Health and Safety Code Section 34173, and successor agencies are tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies; and

WHEREAS, On January 4, 2012 the City Council adopted Resolution No. CC 2012-002 declaring itself as the successor agency to the Community Redevelopment Agency of the City of Palmdale ("Successor Agency") upon the dissolution of the Redevelopment Agency; and

WHEREAS, On April 4, 2012 the City Council, acting in its capacity as the Successor Agency, adopted Resolution No. CC 2012-041 SA naming itself the "Successor Agency to the Community Redevelopment Agency of the City of Palmdale", the sole name by which it will exercise its powers and fulfill its duties pursuant to Part 1.85 of AB 26, and establishing itself as a separate legal entity with rules and regulations that will apply to the governance and operations of the Successor Agency; and

WHEREAS, Health and Safety Code Section 34179 ("Section 34179") establishes a seven (7) member local entity with respect to each successor agency and such entity is titled the "oversight board." The oversight board has been established for the Successor Agency (hereinafter referred to as the "Oversight Board"). The duties and responsibilities of the Oversight Board are set forth in Sections 34179 through 34181 of AB 26; and

WHEREAS, On April 13, 2012, the first meeting of the Oversight Board of the Successor Agency took place and Oversight Board Members were duly sworn into office; and

WHEREAS, Health and Safety Code Section 34177(j) ("Section 34177(j)") requires the Successor Agency to prepare an administrative budget for each six-month fiscal period and submit the administrative budget to the Oversight Board for approval. The administrative budget shall include all of the following: (i) estimated amounts for Successor Agency administrative costs for the upcoming six-month fiscal period; (ii) proposed sources of payment for Successor Agency administrative costs; and (iii) proposals for arrangements for administrative and operations services provided by the City or other entity; and

WHEREAS, Health and Safety Code Section 34177(k) ("Section 34177(k)") requires the Successor Agency to provide to the Los Angeles County Auditor-Controller for each six-month fiscal period the administrative cost estimates from its approved administrative budget that are to be paid from property tax revenues (i.e. former tax increment revenues) deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and

WHEREAS, Staff of the Successor Agency seeks the Successor Agency's approval of the administrative budget for the six-month period beginning July 1, 2012 ("Administrative Budget"), in the form attached to this Resolution as Exhibit A, and the Successor Agency's authorization to submit the approved Administrative Budget to the Oversight Board for its approval and to forward the information required by Section 34177(k) to the Los Angeles County Auditor-Controller; and

WHEREAS, All other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS by the Board of Directors of the Successor Agency to the Community Redevelopment Agency of the City of Palmdale that:

Section 1. The Board of Directors hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The adoption of this Resolution is not intended to and shall not constitute a waiver by the Successor Agency of any rights the Successor Agency may have to challenge the effectiveness and/or legality of all or any portion of AB 26 through administrative or judicial proceedings.

Section 3. The Successor Agency's Administrative Budget for the six-month period beginning July 1, 2012, which is attached hereto as Exhibit A, is hereby approved and adopted.

Section 4. The Executive Director, or designee, is hereby authorized and directed to: i) submit the approved Administrative Budget to the Oversight Board for its review and approval; and ii) submit to the Los Angeles County Auditor-Controller the administrative cost estimates from the Administrative Budget that are to be paid from property tax revenues deposited in the County's Redevelopment Property Tax Trust Fund established for the Successor Agency; and iii) take any and all other actions and execute any and all such other documents as are necessary, convenient or appropriate to comply with AB 26 and to effectuate the intent of this Resolution on behalf of the Successor Agency.

Section 5. This Resolution shall take effect immediately upon its adoption.

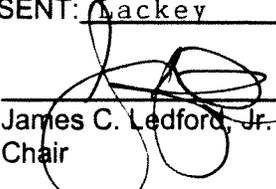
Section 6. The Secretary shall certify as to the adoption of this Resolution.

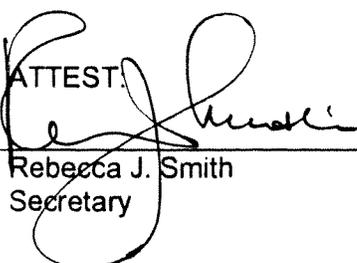
PASSED, APPROVED and ADOPTED this 2nd day of May, 2012, by the following vote:

AYES: Ledford, Hofbauer, Bettencourt, and Dispenza

NOES: None

ABSTAIN: None ABSENT: Mackey


James C. Ledford, Jr.
Chair

ATTEST

Rebecca J. Smith
Secretary

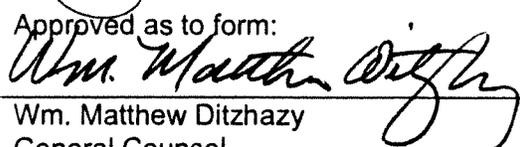
Approved as to form:

Wm. Matthew Ditzhazy
General Counsel

Exhibit A to Resolution No. SA 2012-005 (Revised)

Successor Agency to the Community Redevelopment Agency of the City of Palmdale
 Administrative Budget
 For the Six-Month Period Beginning July 1, 2012

(Prog 20) MUNIS	Item	July - Dec 2012	July - Dec 2012	July - Dec 2012
		Former Economic Development Fund 460/461/462	Former Housing Fund 290	Total
701000 -				
708000	Salaries & Benefits	\$ 581,420.30	\$ 815,650.36	\$ 1,397,070.66
710000	Training & Meetings	\$ 1,500.00	\$ -	\$ 1,500.00
721610	Software Agmt-License Support	\$ -	\$ 10,750.00	\$ 10,750.00
722310	Cont Svc - Legal Advertising	\$ 400.00	\$ -	\$ 400.00
722450	Cont Svc - Document Center & Copier Lease	\$ 3,967.98	\$ 3,973.00	\$ 7,940.98
723100	Cont Svc - Maint & Repair - Equip	\$ 900.00	\$ 400.00	\$ 1,300.00
726110	Telephone & Dataline	\$ 280.00	\$ -	\$ 280.00
726500	Postage	\$ 3,355.43	\$ 1,358.92	\$ 4,714.35
729100	Utilities - Water	\$ 138.78	\$ 117.50	\$ 256.28
731000	Utilities - Gas	\$ 420.25	\$ 521.90	\$ 942.15
731700	Utilities - Electric	\$ 4,875.07	\$ 8,333.50	\$ 13,208.57
735100	Office & Operating Supplies	\$ 4,021.06	\$ 2,908.17	\$ 6,929.23
7xxxx	Successor Agency & Oversight Board	\$ 1,500.00	\$ -	\$ 1,500.00
831101	Rent	\$ 38,046.22	\$ 37,660.00	\$ 75,706.22
721110	Cont Svc - Legal Services	\$ 224,969.68	\$ 34,106.88	\$ 259,076.56
721410	Cont Svc - Audit	\$ 23,350.00	\$ -	\$ 23,350.00
	Total	\$ 889,144.77	\$ 915,780.23	\$ 1,804,925.00

Source of Funding:
 Redevelopment Property Tax Trust Fund